

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (22-007)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received January 5, 2021)

Date

January 25, 2021

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2022.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Commerce and Insurance**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **Malta Bend R-V School District**, **Mehlville School District**, **Wellsville-Middletown R-1 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they expect that their office could absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may be required to request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Elementary and Secondary Education** indicated no impact to their department.

Officials from the **Department of Higher Education and Workforce Development** indicated no impact to their department.

Officials from the **Department of Health and Senior Services** indicated this initiative petition has no impact on their department.

Officials from the **Department of Commerce and Insurance** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated they anticipate no fiscal impact for this initiative petition.

Officials from the **Department of Revenue** indicated no impact.

Officials from the **Department of Public Safety - Office of the Director** indicated no impact for their department.

Officials from the **Department of Social Services** indicated this will have no fiscal impact for their department.

Officials from the **Governor's office** indicated this proposal amends Article III of the Missouri Constitution by repealing Section 10 and amending Sections 3, 5, 6, 7, 8, 9, 11, 13, 14, 20(d), and 45.

The proposed amendment would:

- Change the number of House of Representatives members from 163 to 10 members from each of the State's Congressional districts;
- Remove the requirement that House members have been a qualified voter for two years and require House members to be residents of the district rather than the county or district.
- Change the number of Senators from 34 to 3 members from each congressional district and reduce their term from 4 to 2 years.
- Eliminate the House and Senate independent bipartisan citizens commissions and their duties.
- Change the election process for Representatives and Senators. Beginning with the 2024 election, there will be no primary, and the general election shall be carried out using a system of ranked choice voting.
- Limit members to 16 total years in the General Assembly, removing the current limit of 8 years in any one house.
- Allow members to serve out their term if they move out of their district but remain in Missouri.
- Remove current language granting the Governor the authority to issue writs of election to fill vacancies in either house of the General Assembly. Instead, vacancies would be filled using rankings, with Senate vacancies filled by House members.
- Provide guidance for at large or multiple member districts if allowed by Congress.

Other than the repeal of current Section 14 language granting the Governor the authority to issue writs of election to fill House and Senate vacancies, this proposal should not impact their office.

Officials from the **Missouri House of Representatives** indicated the impact to the House is as follows:

FY25-Impact on half the fiscal year.
Cost savings of (\$3,966,931.05)

FY26-will be the first year they realize the full impact of the reduction in membership.
Cost savings of (\$7,076,222.27)

The costs savings come from member salaries, per diem, member mileage, member expense accounts, and a reduction in the number of legislative assistant staff needed. They assume the Office of Administration may show the temporary unknown increased cost for

any legislative assistants that would have to be laid off and the impact it may have on state unemployment payments. They also provided the following information:

Member Yearly Cost

Member Salary	\$35,915.00
Per diem	\$8,456.00 ¹
Mileage	\$1,877.01 ²
Member Expense	\$8,400.00 ³
LA	\$30,607.68 ⁴
Total Yearly Avg Cost	\$85,255.69

¹ Based on \$120.80 x 70 days of session

² Based on average member mileage of 267 a week x .37 a mile x 19 weeks of session

³ Based on \$700 a month for a year

⁴ Based on average LA salary

at 163 members

Member Salary	\$5,854,145.00
Per diem	\$1,378,328.00
Mileage	\$305,952.63
Member Expense	\$1,369,200.00
LA	\$4,989,051.84
	\$13,896,677.47

Calculator

Proposed # of Members	80	Difference
Member Salary	\$2,873,200.00	(\$2,980,945.00)
Per diem	\$676,480.00	(\$701,848.00)
Mileage	\$150,160.80	(\$155,791.83)
Member Expense	\$672,000.00	(\$697,200.00)
LA	\$2,448,614.40	(\$2,540,437.44)
Total Yearly Avg Cost	\$6,820,455.20	
Difference from Current #	(\$7,076,222.27)	

Monthly expenses	
Member Salary	\$2,992.92
Per Diem	\$676,480.00
Mileage	\$156.42 mileage is not calculated by month, see calculation below
Member Expense	\$700.00
LA	\$2,550.64

1st year Calculations

1/2 yr @163

Member Salary	\$2,927,072.50
Per diem	\$0.00
Mileage	\$0.00
Member Expense	\$684,600.00
LA	\$2,494,525.92
Total	\$6,106,198.42

per diem and mileage for first half of the fiscal
year assumes no special sessions, so no per
diem & mileage paid out

1/2 yr @80

Member Salary	\$1,436,600.00
Per diem	\$676,480.00
Mileage	\$150,160.80
Member Expense	\$336,000.00
LA	\$1,224,307.20
Total	\$3,823,548.00

Per diem & mileage is for all 70 days of
session for 2nd half of fiscal year

Total cost for first year

Member Salary	\$4,363,672.50
Per diem	\$676,480.00
Mileage	\$150,160.80
Member Expense	\$1,020,600.00
LA	\$3,718,833.12
Total	\$9,929,746.42

difference from normal
year expenses - \$3,966,931.05

Officials from the **Department of Conservation** indicated no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation** indicated this initiative petition would have no fiscal impact to their department/Missouri Highways and Transportation Commission.

Officials from the **Office of Administration** indicated this proposal amends Article III of the Missouri Constitution by repealing Section 10 and amending Sections 3, 5, 6, 7, 8, 9, 11, 13, 14, 20(d), and 45.

The proposed amendment would:

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This proposal should not impact their office.

There could be an unknown temporary cost associated with unemployment payments for laid off staff. Not knowing the number of legislative assistants that might be laid off or how many would apply for unemployment benefits, this is not a cost that they included in their fiscal note response.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated they anticipate a fiscal savings if Article III is amended as outlined in the initiative petition. In summary, reducing the number of Senators from 34 to 24 would create an overall savings of approximately \$946,482 (\$750,000 in one-time costs and \$1,696,482 in annual savings). They also provided the following information:

Initiative Petition 22-007 to Amend Article III

Modifies provisions relating to the number of House and Senate Districts

Changes the number of Senators from 34 to 3 members from each congressional district (3*8 = 24 Senators)

Changes the term for Senators from 4 years to 2 years

EXPENSE	Appropriation	EST SAVINGS PER EACH	TOTAL EST SAVINGS X -10	Notes
Senators' Mileage	0004	(1,931.40)	(19,314.00)	Statutory Appropriation - average total miles of current senators used in calculation 261 X .37 X 20 weeks
Senators' Per Diem	0005	(8,344.00)	(83,440.00)	Statutory Appropriation - current daily per diem \$119.20 X 70 est total session days
Senators' Salary	0003	(35,914.80)	(359,148.00)	Statutory Appropriation - current legislator salary \$1,496.45 X 24 pay periods
STATUTORY FISCAL IMPACT:		(46,190.20)	(461,902.00)	
Chamber reconfiguration	9801	400,000.00	400,000.00	One-time cost to reorganize desks and to recarpet the chamber
Electrical & Data in Chamber	9801	350,000.00	350,000.00	One-time cost for new console, conduit, data and sound, electrical jacks and microphone, xray and drill into chamber floor
Annual Budget	9801	(123,458.00)	(1,234,580.00)	Annual cost for Senators annual budget to pay personnel, mailings, district travel and office expenses
SENATE CONTINGENT FISCAL IMPACT:		626,542.00	(484,580.00)	
TOTAL FISCAL IMPACT:		\$ 580,351.80	\$ (946,482.00)	

Officials from the **Secretary of State's office** indicated this petition would change the composition of the General Assembly and cause representatives and senators to be elected by congressional district using ranked-choice voting. At each general election, voters would see a list of all General Assembly candidates from their congressional district on their ballot, with the ability to rank their choices of at least three but possibly up to 10 candidates from each list. Additionally, voters shall be given the option to select between an all-party ballot, a single-party ballot, or a ballot containing only independent candidates. This consolidation may incur the following costs:

Reprogramming/Replacing voting machines: Voting machines in Missouri are currently programmed to accept only single-page ballots with a single vote per race – each of these machines would need to be reprogrammed to accept ranked-choice votes and provide for multiple-page ballots due to the potential for large numbers of candidates to file for General Assembly seats. Any machine that cannot be reprogrammed would need to be replaced with a new machine that does possess such capabilities. Either cost would be a new requirement that the state must assume under Article X, Section 21 of the Missouri Constitution.

As of the 2017 voting systems survey conducted by their office, local election authorities reported that they possessed 7,565 voting machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, this provision may result in a total impact to general revenue ranging from \$0 up to \$37,825,000.

Also, the separate ballots for each political party will create new ballot styles which must be coded into the machines. This will increase programming costs to the local election authorities by an unknown but possibly significant amount.

Postage Costs: mailing envelopes used to return absentee ballots are printed with business reply permits – pursuant to Section 115.285, RSMo., Local Election Authorities are reimbursed for these costs by their office at a current cost of \$1.80 per envelope based on the current size and weight of the envelope and ballot; multiple-page ballots would increase these costs.

Ballot printing costs: Local election authorities bear the cost of printing ballots for each election – paying to print multiple page ballots would substantially increase printing costs. Additionally, each election authority will have an increased number of ballot styles to accommodate the separate ballots for each party, which would be reflected in the layout costs charged by their ballot vendor.

Due to situational variables, it is not possible to determine a concrete amount of fiscal impact to this measure (beyond the aforementioned machine replacements). However, the costs to the state and to local election authorities could be significant.

Officials from the **Office of the State Public Defender** indicated their office will have no fiscal impact as a result of this initiative petition.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Clay County** indicated they estimate the following proportional costs to Clay County government as a result of this amendment—should it pass:

- Approximate printed general election ballots cost increase of ~\$20,000.00***This is the only recurring cost per general election, the rest are one-time
- Approximate advertising for voter education cost increase of ~\$500.00
- Approximate staff training cost increase of ~\$1,000.00
- Approximate voting machine software upgrade cost increase of ~\$10,000.00
- Approximate mapping updates cost increase of ~\$500.00

Total estimated costs of **\$32,000.00**. Only \$12,000 one-time to upgrade, \$20,000 every general election. No savings.

Officials from **Greene County** indicated it is estimated on an **annual basis to cost an additional \$15,000** to conduct a ranked choice voting election in the County of Greene due to the additional software license fees that will need to be purchased to conduct it. It will also require a **one-time additional cost of \$6,000** to purchase 2 new computers for the conduction of a ranked choice voting election. This does not include the individual programming costs that will likely increase for each election, as they cannot be faithfully estimated. This is due to the changing number of candidates running for each Missouri General Assembly legislative district seat in both the House and Senate that Greene County voters will be voting on in each election.

Estimated Cost to Conduct a November General Election:

Here's the difference in the layout and coding costs for this past November.

- **Non RCV** = Approximately \$10,381.25 for layout, coding and audio.
- **RCV** = Approximately \$11,234.00 for layout, coding and audio.

The additional costs for the November 2020 General election with a ranked choice voting model would have been an additional **\$852.75** more.

It is difficult to provide a sound estimate regarding a ranked choice voting election, because it is completely contingent upon how many candidates there are for each race that will be ranked choice. The layout, coding, audio and expense for a race with two candidates and a write-in in a ranked choice vote election will become two races with four candidates and two write-ins, thereby increasing the cost.

This figure will begin to increase exponentially as additional candidates are added. For example, a race with three candidates and a write-in turns into three races with nine candidates and three write-ins.

Here is an example of how the ballot layout will change, which will require additional coding costs to allow for the ranked choice voting to take place.

State Representative

Candidate A

Candidate B

Candidate C

Write-in

Becomes...

State Representative Choice 1

Candidate A

Candidate B

Candidate C

Write-in

State Representative Choice 2

Candidate A

Candidate B

Candidate C

Write-in

State Representative Choice 3

Candidate A

Candidate B

Candidate C

Write-in

Officials from the **City of Kansas City** indicated this proposed amendment would have no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated no fiscal impact.

Officials from the **St. Louis County Board of Elections** indicated they estimate this petition to have a one-time fiscal note of about \$30,000. They would have to upgrade their election software to include a system for ranked-choice voting, and they predict this would cost the above amount.

Officials from the **Platte County Board of Elections** indicated their existing equipment will handle ranked choice voting. They expect no significant costs or savings.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, Malta Bend R-V School District, Mehlville School District, Wellsville-Middletown R-1 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Jackson County Election Board, and the Clay County Board of Election Commissioners.**

Fiscal Note Summary

The General Assembly is estimated to have approximately \$750,000 in one-time costs and \$8.8 million in annual savings. State and local governments could incur significant election-related costs of \$48,000 to \$38 million in one-time costs, and ongoing costs of at least \$15,000 annually and at least \$21,000 for each general election.